UNITED
NATIONS

DP

Governing Council
of the
United Nations
Development Programme

Distr.
GENERAL

DP/CP/JOR/5
11 March 1992

ORIGINAL: ENGLISH

Thirty-ninth session
4-29 May 1992, Geneva
Item 6 of the provisional agenda

PROGRAMME PLANNING

Country and intercountry programmes and projects

FIFTH PROGRAMME FOR THE HASHEMITE KINGDOM OF JORDAN

Programme period	Resources	$
1992-1996	Net IPF	5 784 000
	Estimated cost-sharing	3 000 000
	Total	8 784 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Socio-economic situation

1. Jordan is a small country with limited natural resources, consisting mainly of phosphate, potash and limestone. Less than 7 per cent of its total land is arable. Virtually all its oil requirements are met through imports, and water is becoming an increasingly scarce resource. Hence, Jordan has a very small productive base and a very large services sector which accounted for more than 60 per cent of gross domestic product (GDP) during the 1970s and 1980s.

2. Jordan registered high rates of economic growth up to the early 1980s due predominantly to increasing levels of exports, substantial remittances from Jordanians working abroad and sizeable official aid from Arab oil-producing countries in the Persian Gulf region. This growth resulted in significant improvements in the standards of living of Jordanians as reflected in such changing social indicators as a substantial increase in life expectancy, significant declines in infant mortality and illiteracy, and an increase in the percentage of the Jordanian population with access to electricity and safe water.

3. The economic recession in neighbouring Arab countries in the mid-1980s, following the steep fall in world oil prices led to a significant drop in the inflow of financial resources to Jordan thereby severely affecting its economy. The decline in workers' remittances and official development assistance reduced domestic demand further while exposing the weaknesses in the economy, particularly in terms of balance of payments and budget stability. Budget deficits were financed by domestic and foreign borrowing which led to high levels of external debt; by 1988 there was a dramatic increase in debt repayments due. Consequently, speculative pressures were exerted on the Jordanian dinar and the need for depreciation became apparent. By 1988 the economic and financial conditions facing Jordan became unmanageable: real output declined and inflationary pressures emerged; unemployment reached 15 per cent; and the budget and balance-of-payments deficits soared. In short, Jordan became a highly indebted country with no possibility of servicing its foreign debt.

4. Realizing the severity of the economic and financial situation, the Government, in early 1989, adopted a five-year, medium-term, growth-oriented adjustment programme in collaboration with the International Monetary Fund (IMF) and the World Bank. Within such a framework, measures were taken addressing reform of investment and pricing policies, structural reforms, trade and interest rate liberalization, tariff rationalization and exchange rate adjustment.

5. These structural reforms produced several encouraging results in the first half of 1990: (i) real GDP registered a positive increase of 1.5 per cent as compared to negative growth in the preceding two years;

(ii) trade and budget deficits were reduced; (iii) the value of the dinar stabilized; and (iv) the inflation rate saw an impressive reduction to 3.7 per cent at the end of the first half of 1990 as compared with the 1989 rate of 25.7 per cent.

6. The momentum that such economic reforms was starting to develop came to an abrupt end in 1990 with the advent of the Persian Gulf crisis. All aspects of economic and social life in Jordan were severely affected. The direct financial losses to Jordan are immense and include, among others, a sharp reduction in workers' remittances, official grants and receipts from exports as well as a devastating decline in trade, trade-related services and tourism. In addition, the crisis has had adverse effects on such economic indicators as national savings, rates of private and public investment, rate of economic growth, budget deficit, inflation rate and employment while increasing the number of families living below the poverty line. The country also suffered the additional financial and economic burden resulting from the return home from abroad of 300,000 Jordanians, representing a 10 per cent increase in the population.

7. The most serious problems facing the country in the aftermath of the crisis are the alarmingly high levels of unemployment which reached an unprecedented level of 22 per cent and the increased pressure on the national budget to meet the demands of the returnees for food and social and infrastructural services. It has been estimated that $3.7 billion of capital investment will be required to provide the returnees with minimum basic needs while the total impact of the crisis on the balance of payments in 1992 is estimated to exceed $1.5 billion. The magnitude of such problems and the gravity of the situation can be comprehended only when compared with the meagre resources that Jordan commands and in the context of the already austere conditions that the economy was experiencing before the crisis erupted.

8. By the end of 1991, there appeared to be optimism as the decline in GDP subsided somewhat in the latter part of the year while the budget deficit, excluding grants, stayed consistent with the previous two years. However, unemployment rose to an even higher level, the current account of the balance of payments registered a large deficit and price pressures and foreign arrears increased. In short, the country's financial imbalances, both internal and external, are at high levels while the country's social situation is very critical.

9. To ensure social and economic stability, therefore, a delicately balanced approach between economic and social development will be pursued by the Government in taking economic policy measures. Creating productive employment opportunities have to be initiated by the private sector and non-governmental organizations (NGOs). A number of other major challenges face Jordan n 1992 including restoring non-inflationary growth, restructuring the educational system, reforming public administration, protecting the environment and managing water resources. Success in overcoming economic and financial difficulties will depend to a large extent on the strength of domestic efforts and on the availability of external financial assistance on very concessional terms.

B. National development objectives and strategies

10. The Government's national development strategies are usually set out in a five-year development plan. However, the tight financial situation caused by the heavy burden of servicing the external debt, the unfavourable external environment resulting from the Persian Gulf crisis combined with the inability to achieve the over-ambitious targets of the last Five-Year Development Plan (1986-1990) have all cast doubt on the usefulness of preparing a similar five-year development plan for Jordan for the period 1992-1996.

11. In its place, the Government has prepared, in consultation with the IMF and the World Bank, and approved a Medium-Term Adjustment Programme that will serve as the basis for Jordan's development strategy for 1992-1998. The programme is aimed at restoring and sustaining economic growth, generating employment and achieving budgetary and balance-of-payments equilibrium and has the following specific objectives:

(a) Gradual reduction of consumption expenditures as a proportion of GDP from 101 per cent in 1991 to 81.6 per cent by 1997;

(b) Increase the real growth of GDP to 4 per cent by 1997 through better utilization of existing productive capacities and through new investment;

(c) Reduction of the annual rate of inflation to a level of about 4.5 per cent by 1997;

(d) Reduction of the budget deficit (excluding grants) from about 18 per cent of GDP in 1991 to 5 per cent by 1997;

(e) Reduction of the deficit in the current account, excluding official transfers, from 24 per cent in 1991 to 2 per cent by 1997 and to a balanced position by 1998; and,

(f) Reduction of the exceptional financing requirements in 1994 and 1995 by 60 per cent from their level in 1992, and to disappear altogether by 1998.

12. The Government is presently engaged in formulating a macroeconomic framework of policies and measures for the coming few years. Such a framework of policies shall be consistent with the objectives and requirements of the adjustment programme, and shall provide the optimal environment conducive to the full participation of the private sector as the core engine for economic growth.

II. EXTERNAL COOPERATION

A. Role of external cooperation

13. Jordan's small economy is highly dependent on external aid. When the Persian Gulf crisis erupted, Jordan's economy was fully engaged in a serious

adjustment programme and international assistance was vital to the success of the programme.

14. It is estimated that Jordan requires at least $3.2 billion of external assistance during 1991-1993 to cover its basic needs of imported food, oil and spare parts in addition to the repayment of part of the interest on its debt as rescheduling of debt service will be required until at least 1994.

15. In 1991, Jordan received $400 million in the form of grants as compared with approximately $150 million in 1990. Much of Jordan's future economic growth depends on obtaining further concessional financing especially in the period 1992-1994.

16. The United Nations system provided 53 per cent of 1990 total disbursements of external assistance, with most of this in the form of adjustment loans from the World Bank. The top bilateral donors during 1989-1991 were the United States of America, Japan, Germany and Canada with the European Community (EC) serving as another important multilateral donor. The top five sectors receiving technical cooperation during 1990 were international trade in goods and services, human resources, agriculture and forestry, economic management and natural resources.

17. In addition, investment-oriented programmes accounted for only 10 per cent of Jordan's total disbursements of external assistance during 1990. As Jordan faces a number of both challenges and opportunities to restructure its economy with a view to sustaining growth and development, the Government is seeking increased support from donors for investment-oriented programmes.

B. Aid coordination arrangements

18. Aid coordination and management responsibilities in Jordan are vested with the Ministry of Planning, which acts as the official channel of communication with bilateral and multilateral donor organizations including those in the United Nations system. In recent years, efforts were made by the Government to improve the coordination mechanism through enhancing the capabilities of its staff.

19. The Resident Representative of UNDP maintains close relations with major donors, regularly exchanges information on various development programmes and explores avenues for mutual cooperation through both verbal contacts and ad hoc local donor meetings.

20. Within the United Nations system, coordination of UNDP activities with other United Nations agencies including the Food and Agriculture Organization of the United Nations (FAO), the International Civil Aviation Organization (ICAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the World Health

Organization (WHO) is maintained through regular inter-agency meetings held under the auspices of the United Nations Resident Coordinator. These meetings aim at exchanging information of mutual interest to all partners and to explore possible areas of cooperation including scope for joint programming and shared resource mobilization.

21. The active role of the United Nations in supporting the Government's coordination efforts was evident in the emergency and relief operations undertaken during the Persian Gulf crisis. A high-level committee under the chairmanship of the Secretary-General of the Ministry of Interior was entrusted with the task of overall supervision and coordination of emergency relief operations relating to the sudden influx into Jordan of about 800,000 non-Jordanian evacuees. To assist the Government's efforts in this area, task forces comprising key government staff, donor country representatives, United Nations and UNDP staff and NGO representatives were established and designated to assist in relief and evacuation operations.

22. The United Nations system's coordination was promptly and effectively carried out by all the agencies concerned: the Office of the United Nations Disaster Relief Coordinator (UNDRO), United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), UNDP, WFP, UNICEF, the Office of the United Nations High Commissioner for Refugees (UNHCR), UNFPA and WHO in collaboration with the International Office for Migration (IOM). Coordination meetings, under the chairmanship of the Resident Coordinator, were held frequently throughout the whole period of the Persian Gulf crisis. These were attended by representatives of the Government, embassies, United Nations agencies, NGOs as well as visiting missions and national and international media representatives. As a result of effective joint Government/United Nations coordination, speedy actions were taken for the mobilization of resources to provide evacuees with temporary shelter, food, water, health services and transportation. Various studies on the social and economic impact of the Persian Gulf crisis were conducted by the Government, UNDP, the Economic and Social Commission for Western Asia (ESCWA) and UNICEF to better determine the heavy financial losses inflicted on Jordan's economy.

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

23. The fourth country programme was designed in accordance with the Jordanian Five-Year Economic and Social Development Plan (1986-1990), and concentrated on five major areas: (a) human resources development; (b) support to the productive sectors; (c) macroeconomic management; (d) natural resources management; and (e) science and technology.

24. The mid-term review of the fourth country programme held in February 1990 recognized that UNDP cooperation had been generally consistent with Jordan's national development priorities. It was noted that the comprehensiveness of the fourth country programme proved to be effective and the programme flexible

in responding to national priorities embodied in selected sectoral and thematic programmes. Although the programme was found to be in line with priority national development objectives, the mid-term review indicated that greater emphasis should be given to the promotion of exports and employment creation.

25. In terms of impact, the fourth country programme was successful in introducing a more systematic approach to manpower planning and employment promotion and in building capacity in select areas through development of training centres in civil aviation, telecommunications and vocational services. In agriculture, a complete inventory of forest and rangeland resources was conducted, a fully computerized forest management system was established and farm mechanization training courses were successfully conducted. Several strategic macroeconomic studies were undertaken, preparatory work was completed on a social accounting matrix for Jordan and a small macroeconomic model with input/output tables was developed. Mining laws and legislation were updated while a model unit for solar and wind energy in rural areas was established. New advanced technologies were introduced and adapted in several areas including digital mapping, cadastral data information, cytogenetics and ophthalmology.

26. The fourth country programme realized a steady decrease in the use of long-term international experts and a concomitant increase in the use of short-term consultants, national experts and national project coordinators. To the extent possible, procurement of equipment was done locally. The programme achieved high rates of delivery and $1,307,000 was borrowed from fifth-cycle allocations for programming in high priority areas.

B. Proposals for UNDP cooperation

1. Preparatory process

27. The fifth country programme has evolved out of a series of consultations, reviews and assessments involving the Government, UNDP and the specialized agencies of the United Nations system with perhaps the most important of these being the mid-term review of the fourth country programme. Held in February 1990, the review made a number of recommendations which have helped determine the focus and emphasis of the fifth country programme for Jordan.

28. Another key point in the preparatory process was the preparation of the UNDP Advisory Note in May 1991 and its subsequent presentation to the Government. The Note was the outcome of continuous consultations between UNDP and the Government on the areas of priority where UNDP cooperation could have the greatest impact. The Note also served as an opportunity to assess improved modalities for the management and implementation of UNDP resources, with a view to maximizing their impact on the national development objectives of the country.

2. Strategy for UNDP cooperation

29. Jordan has embarked on a medium-term programme of economic adjustment and the fifth country programme has been formulated to reflect the Government's views as to how best utilize UNDP cooperation in support of the achievement of select national development objectives within the overall adjustment process and circumstances following the Persian Gulf crisis.

30. The strategy has been to identify those priority areas where the Government considers UNDP has comparative advantage and greater potential for impact than other bilateral or multilateral donors as a result of UNDP's central role and flexible approach to technical cooperation. As UNDP cooperation is limited, it will play a strategic and catalytic role in building national capacity for the design or, in some cases, implementation of specific components of national programmes as they evolve. For example, UNDP cooperation has been utilized in supporting macroeconomic management due in large part to UNDP's political and sectoral impartiality and its emphasis on national capacity-building. This cooperation has proved critical in building the national capacity required for the preliminary phases of formulation of the structural adjustment programme.

31. In light of the significant impact which limited UNDP cooperation had on national capacity-building during the fourth country programme, the Government has placed a priority on using a portion of fifth-cycle resources to ensure that initiatives of high priority started in the latter part of the fourth cycle come to fruition. As the resources available under the fifth country programme will clearly not be adequate to meet all the requirements for technical cooperation, an important element of the programme's strategy will be to mobilize additional resources through government cost-sharing, as well as through third-party cost-sharing and parallel financing from other sources including international and regional funding organizations. Efforts will also focus on mobilizing complementary financing from United Nations agencies and joint programmes including the Global Environment Facility (GEF). The Government will ensure proper coordination and complementarity among the various donor programmes with the UNDP fifth country programme and, in a broader sense, with the implementation of the Medium-Term Adjustment Programme.

3. Proposed UNDP cooperation in selected areas of concentration

32. In line with priority national objectives and the strategy outlined above, the Government proposes to focus fifth country programme resources on the following four areas of concentration: (a) human resources development; (b) macroeconomic management; (c) natural resources management; and (d) support to productive sectors.

33. These select programme areas have emerged from a continuing dialogue among UNDP, the Jordanian authorities and other organizations of the United Nations system. The Government has also taken note of Governing Council decision 90/34 which identified new areas of focus for UNDP. The specific

thematic concerns of UNDP and a focus on human development will be used to the extent possible as a frame of reference for activities in each area of concentration. Particular emphasis will be placed on the advancement of women, technology transfer and utilization, natural resources management, integration of environmental concerns into development programming and poverty alleviation through grass-roots participation emphasizing an enhanced role for NGOs in the national development process.

(a) Human resources development

(i) National development objectives

34. Throughout its successive development plans, the Government has shown a very strong commitment to the development of human resources. Excellent results have been achieved in this area including the reduction of illiteracy and the provision of basic education and health services. The Persian Gulf crisis has dictated that careful attention must continue to be paid to this area as more than 300,000 Jordanians have returned from the Gulf States and need to be reintegrated into Jordanian society. In order to be in a better position to address this need, the Government is designing flexible policies responsive to rapidly changing conditions in the labour market.

(ii) Proposed UNDP cooperation

35. The area of human resources development is again particularly relevant as the unemployment rate by the end of 1991 had risen to the alarming rate of 22 per cent. As a result, UNDP's technical cooperation within the fifth country programme will continue to support priorities with regard to employment promotion. Specific interventions will include assessing job creation methods and techniques to reintegrate the large number of returnees into the Jordanian labour force. Efforts will be directed towards achieving a sound labour market information system as initiated under the fourth country programme, improving policies aiming at reduction of employment, sustained employment creation, and strengthening the institutional framework and technical capacity of the Development and Employment Fund (DEF) and the Vocational Training Corporation (VTC).

36. With a view to the future, Jordan, as a result of its relatively educated and trained population and well-developed infrastructure, has created potential for the further build-up of its indigenous capacities in science and technology. UNDP technical cooperation in the fifth country programme will be directed towards the adaptation and transfer of new and advanced technologies in such specific areas as: management information systems, remote sensing and satellite technology for measuring meteorological conditions which should help in the implementation of specific components of national programmes while building the basis for future demand.

(iii) Expected impact

37. The main success indicators will be the enhancement of national self-reliance in human resources and successful reintegration of a large number of Jordanian returnees from throughout the Persian Gulf area by means of training and retraining programmes. Support to this area will emphasize integration of women in development, poverty alleviation and adaptation of new and advanced technologies.

(iv) Complementary assistance

38. UNDP's technical cooperation in human resources development will be complemented by various bilateral and multilateral sources of assistance, particularly World Bank and EC efforts in supporting the Development and Employment Fund. Special Programme Resources through UNDP's Gulf Task Force financed a series of policy-oriented studies on the impact of the Persian Gulf crisis on Jordan to gather baseline data on the returnees and to formulate programmes to assist in their economic and social reintegration. The German technical cooperation agency, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), the United States Agency for International Development (USAID) and the Japanese International Cooperation Agency (JICA) are devising training programmes in various disciplines which are considered complementary to UNDP's efforts in the reintegration of Jordanian returnees from countries in the Persian Gulf region and the absorption of repatriated workers into the labour force.

39. Approximately $3.32 million, or 38 per cent of total fifth country programme resources, will be allocated to this area.

(b) Macroeconomic management

(i) National development objectives

40. The Government is in the process of formulating a framework of macroeconomic policies for the next few years. Unlike previous development plans, this framework would not be a plan of projects, but a series of policies centred on promoting the private sector as the engine for economic growth. Specific emphasis will be placed on the development of macroeconomic policies consistent with both the targets of the Medium-Term Structural Adjustment Programme and those having the least social cost. This framework of policies will then be translated into a rolling annual plan for the Government.

(ii) Proposed UNDP cooperation

41. Over the past two decades, UNDP technical cooperation was utilized in development planning with the aim of enhancing and improving its planning machinery through the introduction and application of advanced quantitative planning methods and techniques. Such cooperation has evolved to incorporate macroeconomic management. At present, UNDP's technical cooperation in two

specific strategic areas - Enhancement of Advanced Techniques for Planning and Policy Analysis and Input-Output Analysis for Development Planning - has been pivotal in supporting the formulation of the Structural Adjustment Programme (1992-1998) agreed upon with the World Bank and IMF. The national team of experts engaged in these two areas provided critically important advisory services to the Government particularly with regard to the application of appropriate advanced quantitative techniques in macroeconomic modelling, updating the national accounting system and construction of national input/output tables.

42. Due to UNDP's proven capabilities in this area, and its political and sectoral neutrality, this sensitive policy area is still considered to be a major priority area for the utilization of UNDP technical cooperation. UNDP-supported efforts will be focused on advising the Government on appropriate macroeconomic policies and measures to follow in addition to supporting the utilization of advanced econometric techniques. An element of flexibility will be maintained in this area in order to help build national capacity required to implement related economic policies and measures likely to be adopted in the framework of the World Medium-Term Structural Adjustment Programme (1992-1998).

(iii) Expected impact

43. The technical cooperation activities are expected to enhance national capacity in the utilization of such modern macroeconomic planning techniques as quantitative macroeconomic modelling and advanced econometrics, and to develop sound macroeconomic subprogrammes consistent with the Medium-Term Structural Adjustment Programme.

(iv) Complementary assistance

44. The IMF and the World Bank are both providing assistance to the Adjustment Programme while UNDP is providing technical cooperation support to macroeconomic management. UNDP is also providing technical cooperation support through the SPR-financed Management Development Programme to improve the capacity of the public sector. This assistance is aimed at supporting and assessing needs in the areas of public service job structure, personnel, organization and office and systems management. UNDP's Management Development Programme is also focusing on strengthening the capabilities of the Civil Service Commission (CSC) and the Jordanian Institute of Public Administration (JIPA).

45. Approximately $1 million, or 10 per cent of total fifth country programme resources, will be allocated to this area.

(c) National resources management

(i) National development objectives

46. As Jordan's natural resources are relatively scarce, top priority has been accorded to natural resources management in successive national

development plans with a view both to promoting efficient utilization of existing stocks and to developing new resources in a sustainable fashion. Further, conservation of natural resources is a major component of the nationally prepared national strategy on the environment which was officially endorsed in 1991.

(ii) Proposed UNDP cooperation

47. The mid-term review of the fourth country programme recommended that within the area of natural resources management the fifth country programme should focus UNDP's technical cooperation support in the following areas: (a) water resources; (b) energy; and (c) mineral resources.

48. Limited water resources in Jordan are negatively affecting the country's general development efforts. UNDP support is already being provided to the formulation of national guidelines for water resources policy, the establishment of a computerized water data bank and in updating the 1977 National Water Master Plan. Efficient and environmentally sound utilization of water resources is of critical importance to the country's future development. Consequently, further UNDP technical cooperation will be provided throughout the fifth cycle to such key areas of intervention as the reuse of waste water for irrigation, optimization and simulation modelling of surface and groundwater and precipitation enhancement through cloud seeding programmes.

49. With regard to energy, UNDP will support the Government's efforts in oil and gas exploration activities and in developing renewable sources of energy. Particular attention will be given to assessing the feasibility of both establishing a national oil company and developing an investment promotion programme for attracting international oil companies to invest in Jordan. UNDP technical cooperation will also continue in support of the establishment of an electricity and energy data bank system.

50. In addition to phosphate, potash, limestone and cement ores, a number of other minerals have been recently discovered including gypsum, marble rock, iron ore, sand glass and bentonite. Intensive efforts are under way to expand exploration of new minerals as well as new sources of existing mineral resources. UNDP technical cooperation will focus on building national capacity in mineral investment promotion and on the evaluation of non-metallic mineral deposits.

(iii) Expected impact

51. Indicators of achievement will include the development and utilization of optimization models of surface and groundwater, development of environmental action plans for water resource management, completed assessment on the feasibility of creating a national oil company, full utilization of an energy data bank system and increased exploration and exploitation of non-metallic mineral deposits.

(iv) Complementary assistance

52. As management and development of water resources has been accorded high priority by the Government, several donors are providing substantial support to this area, particularly in the field of water resources policy planning and management. The EC has approved 17 million ECU to undertake detailed studies and research in all fields related to water planning and management while the World Bank has extended loans to Jordan for the development and improvement of water supply networks and civil services in several urban areas. Closely connected to this area are joint UNDP/United Nations Environment Programme (UNEP)/World Bank efforts to support Jordan's environmental priorities through the Global Environment Facility (GEF). A number of projects have been developed in the areas of protection of biodiversity and protection of international waters and are being submitted to the GEF for possible financing. In addition, national efforts to build capacity in the sustainable management of water resources will be supported by a number of regional UNDP initiatives including the project Current Technologies in Water Resources Management (RAB/89/003) and support to the Centre for Environment and Development in the Arab Region and Europe (CEDARE) (RAB/91/016).

53. Approximately $1.3 million, or 15 per cent of fifth country programme resources, will be allocated to this area.

(d) Support to the productive sectors

(i) National development objectives

54. In order to meet a number of priority national development objectives including increased employment expansion of exports and increased food security, the Government is giving high priority to supporting the productive sectors. Particular emphasis is given to encouraging the establishment of small- and medium-scale industries which are characterized by high labour intensity and high levels of exports.

(ii) Proposed UNDP cooperation

55. UNDP technical cooperation will focus on two areas: (a) industrial development and trade promotion; and (b) agriculture. Support will be given to assist the industrial sector to diversify and promote industrial production and exports, identify new investments and employment opportunities, increase and upgrade industrial productivity and promote and encourage private sector initiatives, specifically those regarding medium- and small-sized enterprises. Concerted efforts will be made in collaboration with the United Nations Development Fund for Women (UNIFEM) and the Government to formulate and implement programmes directed at income-generating activities which highlight employment creation for women. In order to expand agricultural production in a country of such limited water resources, greater emphasis will be placed on the expansion of agricultural activities in the areas of forestry and rangeland management and the efficient utilization of highlands for agricultural production.

(iii) Expected impact

56. Indicators of achievement will include improved and diversified industrial production, increased level of national and international investments, greater level of exports and increased agricultural production.

(iv) Complementary assistance

57. Due to the critical importance of this area, several bilateral and multilateral donors have expressed interest in building up the productive capacity of the country through the provision of technical cooperation in the fields of industry and agriculture. A World Bank loan of $150 million has been approved to support a number of activities including export and investment promotion, enhancement of industrial capacity and privatization. The EC has agreed to provide $1.3 million in technical assistance to upgrade and improve the technical capacity of the Directorate of Standards and Quality Control. USAID is providing technical assistance for the establishment of an industrial training centre at the University of Jordan while GTZ is helping computerize departments within the Ministry of Industry and Trade.

58. The Government has also identified improved agricultural marketing facilities as a priority area to be addressed in order to increase agricultural production and expand exports. USAID is providing support to improving marketing practices while WFP is contributing to the development of agricultural production in the highlands. National efforts in this area will be complemented by a number of regional UNDP initiatives including the project Range Management (RAB/90/001) and Supplementary Irrigation Management (RAB/90/005).

59. Approximately $2.7 million, or 31 per cent of total fifth country programme resources, will be allocated to this area.

C. Assistance outside main country programme areas

60. An unprogrammed reserve of approximately 5 per cent of total fifth country programme resources is being established to respond to technical cooperation needs which fall outside the four areas of concentration. A portion of this reserve will be used to enhance the effectiveness of UNDP technical cooperation by providing support to the Transfer of Knowledge through Expatriate Nationals (TOKTEN) facility and by financing a mechanism for short-term consultancies and training in selected areas of high priority.

D. Implementation and management arrangements

61. During implementation of the fifth country programme, UNDP technical cooperation will support a programme approach by helping to build national capacity in macroeconomic management required to develop annual rolling frameworks upon which national programmes will be based; by helping to develop

such specific national programmes as water resources management; and by supporting implementation of discrete components of national programmes derived from the annual policy framework. As UNDP resources are very limited, they will be utilized in a catalytic and flexible manner to support the move towards a programme approach.

62. As Jordan has a large number of highly qualified and experienced technical and managerial personnel, efforts will be made to expand national execution by establishing linkages with national technological and development centres of excellence in all four areas of concentration outlined in this programme. The technical experience of the United Nations development system will be sought in the formulation, technical backstopping, monitoring and evaluation of programmes and projects as far as possible. Specialized agencies will also be implementing specific technical components as appropriate.

63. Regardless of specific execution modality, there will be increased reliance during the fifth cycle on the utilization of national expertise; in order to build national programme management and to maximize the impact of UNDP's limited resources on national capacity-building, international expertise will be confined to short consultancies only. A feature of this programme will be to foster the spirit of self-reliance through the increased used of nationals as project coordinators in managing UNDP-assisted projects, thus enhancing the development of national leadership capacities. Efforts will also be made during implementation of the fifth country programme to maximize the experience of diverse sources of expertise whether national or international; such sources may include indigenous NGOs, other countries at similar levels of development through the technical cooperation among developing countries (TCDC) modality or the United Nations whether through different agencies, interregional advisers, the United Nations Volunteers programme (UNV) or such specific UNDP-managed facilities as TOKTEN and the United Nations International Short-Term Advisory Resources (UNISTAR).

64. Although the quality of project design greatly improved during the fourth country programme as compared with the third country programme, greater emphasis still needs to be placed on realistically designed projects and programmes. Indicators of expected impact in the fifth country programme reflect this emphasis and are related to the achievement of national objectives. It is expected that more specific programme-level indicators will be developed as national programmes are elaborated.

65. The close working relationship established between Jordanian authorities and UNDP has facilitated comprehensive monitoring and management of programme implementation. A mid-term review of the programme is scheduled for 1994; to the extent possible this timing should be adhered to so that adjustments can be made to the programme in response to changing, or emerging, priority areas for the programming of UNDP technical cooperation.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF plus cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

	(Thousands of dollars)	
Carry-over from fourth-cycle IPF	(1 307)	
Fifth-cycle IPF	7 091	
Subtotal IPF		5 784
Project cost-sharing (Government)	-	
Project cost-sharing (Third-party)	-	
Programme cost-sharing	3 000	
Subtotal cost-sharing		3 000
TOTAL		8 784

II. ALLOCATION OF RESOURCES (IPF plus cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	IPF	Cost-sharing	Total	Percentage of total resources
Human resources development	2 615	700	3 315	38
Support to productive sectors	1 738	1 000	2 738	31
Natural resources management	808	500	1 308	15
Macroeconomic management	623	300	923	10
Subtotal	5 784	-	8 284	94
Unprogrammed reserve	-	500	500	6
TOTAL	5 784	3 000	8 784	100

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

(Thousands of dollars)

A. UNDP-administered funds		
SPR	-	
UNCDF	-	
UNSO	-	
UNIFEM	330	
UNRFNRE	-	
UNFSTD	-	
Subtotal		330
B. Other United Nations resources		
JCGP participating agencies		
UNFPA	246	
WFP	25 000	
Other United Nations agencies (non-UNDP financed)	600	
Global Environment Facility	-	
Subtotal		25 846
Total non-core and other United Nations resources		26 176
C. Non-United Nations resources		100
TOTAL		26 276

Annex II

PROGRAMME MATRIX

Area of concentration	Area of focus a/					
	Poverty eradication and grass-roots participation	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
I. HUMAN RESOURCES DEVELOPMENT						
Overall policy advice and training	*		*	*		*
Labour policy advice and planning	*		*	*		
Vocational training			*	*		*
Administrative reforms	*			*		*
Civil aviation training				*		*
Adaptation of advanced technologies	*	*		*		*
II. SUPPORT TO PRODUCTIVE SECTORS						
Rangeland/forestry management	*	*	*			*
Agricultural production		*	*			*
Industrial services	*	*	*	*		*
Promotion and diversification of industrial production and exports	*		*	*		*
Increasing industrial productivity and identifying new investments	*	*	*			*
III. NATURAL RESOURCES MANAGEMENT						
Water resources planning and management	*	*				*
Cloud seeding programme	*	*				*
Electricity/energy data bank	*	*	*			*
Minerals investments promotion and evaluation	*	*	*			*
IV. MACROECONOMIC MANAGEMENT						
Policies and planning	*		*	*		*
Management development of public sector	*		*			

a/ Asterisks indicate major linkage only.